

Health insurance exchanges present both opportunity and risk. Protect your plan with LexisNexis.®



LexisNexis® Solution for Exchange Fraud



Health Care



While the introduction of health care marketplace exchanges has generated some positive benefits for insurers, inevitably, it has also resulted in some disturbing trends. Exchange fraud being initiated by members and brokers is costing insurers millions of dollars in losses associated with illegal claims payments, broker commission payments and legislative fines. A new offering from LexisNexis® offers technology designed to detect, identify and prevent fraudulent activity and help facilitate legal compliance as it relates to health insurance marketplaces and exchanges.

The problematic landscape

The Affordable Care Act has changed the playing field for payers and cleared the path for the rapid growth of health insurance exchanges. In fact, the federal government already manages exchange programs in 37 states, and 86% of all insurance brokers have helped clients successfully enroll in an exchange program. Not surprisingly, those who seek to fraudulently manipulate the exchange system have discovered ways to do so and exchange fraud has quickly become a source of substantial losses for insurers, including:

Member fraud – Individuals are committing fraud in order to get insurance, and because the enrollment process is completely electronic, detection is made more difficult as individuals remain hidden behind cyber walls.

Broker fraud – The very existence of exchanges has greatly reduced the need for brokers. This shrinking demand has forced brokers to seek new ways to maintain income levels. As a result there is the potential for an increase in fraudulent tactics, like:

- Enrollments of non-existent individuals using fictitious identity information
- Enrollments using the information of deceased individuals

- Enrollments of minors without proper parental authorization

Insurers are paying out millions of dollars in commissions to brokers that are robbing them over and over again.

Beyond the direct costs linked to member and broker fraud losses, insurers are also exposed to the risk of fines and reputational damage for failure to meet compliance mandates. Many plans, including those that offer Medicaid or Medicare supplements, can be fined thousands of dollars for every enrollment that turns out to be ineligible.

Data technology provides a solution

Whether enrollments originate from an individual or a broker, the key to detecting fraudulent applications is the ability to analyze and verify the enrollment data being submitted. LexisNexis® Solution for Exchange Fraud compares exchange enrollment data to vast quantities of public records data, gathered from thousands of reliable resources, to identify potential inaccuracies in the enrollment information being collected and submitted to the health plan.

Our unique approach to data and identity analytics provides significantly more insight into enrollees by going well beyond the basic review process to verify layers of information, including:

Date of birth (age)

Date of death

Suspect activity associated with addresses provided

Other suspect activity and fraud indicators



BROKERS... BUSTED

The LexisNexis Solution for Exchange Fraud serves as an effective deterrent against future broker and identity fraud as word spreads that their schemes can't get past your fraud prevention technology.

Users simply submit a monthly batch file of exchange enrollees to LexisNexis and this powerful technology quickly identifies and flags suspicious enrollments for further investigation and action. The solution also has the ability to score and rank the likelihood and potential impact of suspected fraud so users can easily prioritize follow up actions while "stopping the bleeding" before the exposure to your organization expands.

Exchange fraud is costing insurers millions of dollars in losses. LexisNexis® Solution for Exchange Fraud compares exchange enrollment data to vast amounts of public records data to authenticate identities and verify the accuracy of the enrollment data.



THE POWER OF DATA LINKING

LexisNexis leverages the largest database in the industry and proprietary linking technology to reconcile inconsistent and outdated information and achieve unprecedented identity verification and fraud detection capabilities.

- 10,000+ sources
- 45 billion public and proprietary records
- Historical identity information for all U.S. adult consumers
- Refreshed monthly with more than 80 million new records from credit bureaus, utilities, phone directories, college directories, social media directories, law enforcement and many other sources

There is a misconception that marketplace exchange fraud is more difficult to stop today because most transactions are completed electronically, and perpetrators are able to hide behind the Internet. The reality is, that with the right technology, which happens to be affordable and easy to implement, marketplace exchange fraud mitigation can be surprisingly simple and highly effective—especially when considering the ROI generated through cost avoidance.

For more information:
Call 866.396.7703 or visit
www.lexisnexis.com/risk/healthcare

About LexisNexis® Risk Solutions

LexisNexis Risk Solutions (www.lexisnexis.com/risk) is a leader in providing essential information that helps customers across all industries and government assess, predict and manage risk. Combining cutting-edge technology, unique data and advanced analytics, LexisNexis Risk Solutions provides products and services that address evolving client needs in the risk sector while upholding the highest standards of security and privacy. LexisNexis Risk Solutions is part of RELX Group plc, a world-leading provider of information solutions for professional customers across industries.

Our health care solutions combine proprietary analytics, science and technology with the industry's leading sources of provider, member, claims and public records information to improve cost savings, health outcomes, data quality, compliance and exposure to fraud, waste and abuse.



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